



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

Amended by FmHA AN No. 2469 (1991)

dated 10-22-92

Amended by FmHA AN No. 2566 (1991)

FmHA AN No. 2566 (1951)

June 22, 1992

Amended by FmHA AN No. 2744 (1991) dated 12-16-92

SUBJECT: Program Management and Servicing Goals

July 1, 1992 through June 30, 1993 *modified by FmHA AN No. 2794 (1991)*

TO: All State Directors

Replaced by FmHA AN No. 2817 (1991) dated 5-13-93
dated 6-25-93

PURPOSE/INTENDED OUTCOME

This AN sets forth program management and servicing goals for the rating period of July 1, 1992, through June 30, 1993, for the Farmers Home Administration (FmHA) and the Rural Development Administration (RDA).

All comments received in the National Office were carefully considered, and many individual States' initially proposed goals were revised or modified based on alternate proposals by State Directors. Also, in some cases the actual goals have been revised as a result of comments and concerns expressed.

Please see Attachment A, General Comments and Explanations, for discussion of major changes and goal instructions.

COMPARISON WITH PREVIOUS AN

This AN replaces FmHA AN's No. 2316 (1951), dated July 1, 1991, and No. 2447, dated January 17, 1992.

IMPLEMENTATION RESPONSIBILITIES

The 1992-1993 performance year will be a particularly challenging one for management at all levels in FmHA and RDA due to the significant changes taking place. To meet the challenge, each manager will need to make optimum use of managerial skills in utilizing human resources, information, and program authorities.

To begin the process, it is essential to make a clear statement of expected performance and establish specific goals for all operating levels in the organization. You should ensure that, where possible, County and District Offices have specific goals in each area where a National goal has been set.

The program management and servicing goals established for each program area are explained in the following attachments:

Attachment A - General Comments and Explanations

EXPIRATION DATE: June 30, 1993

FILING INSTRUCTIONS: Preceding
FmHA Instruction 1951-A



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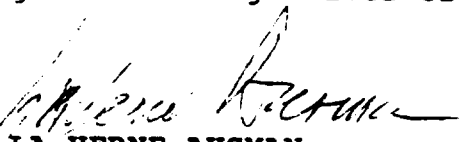
- Attachment B - Farmer Programs Management and Servicing Goals
July 1, 1992, Through June 30, 1993
- Attachment C - Housing Program Management and Servicing Goals
July 1, 1992, Through June 30, 1993
- Attachment D - Management Goals for Community and Business
Programs - July 1, 1992, Through June 30, 1993
- Attachment E - State sheets for goals within each program area.

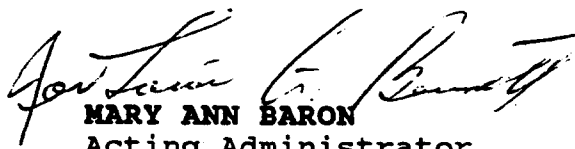
Where you provided specific comments or justification supporting a request for a change in a goal, your abbreviated comments are shown on the respective goal sheets. Consideration of the comments again involved virtually all levels of management in the National Office, including Assistant Administrators, the FmHA Deputy Administrator for Program Operations, and the Administrator and Acting Administrator for FmHA and RDA. If you have further comments or concerns on specific goals, you should immediately contact the office of the Administrator or Deputy Administrator for Program Operations.

The Current Status column on the goal sheet has been removed. Status for the performance year ending June 30, 1992, for all current goals will be provided to you as soon as possible after the end of the performance year.

Since every goal was specifically tailored to the individual State, and is therefore considered reasonable and achievable, your progress will be carefully monitored. The National Office will continue to provide quarterly progress reports to assist you in managing our programs. You should use those, as well as other available information, to closely monitor the activities of your individual offices, to identify constraints, and to plan appropriate actions to ensure that Agency goals are achieved. As in the past, an intensive review of all goals and accomplishments will take place after the end of the second quarter. This will include consideration of requests for modifications to individual State goal levels due to changes in conditions.

We greatly appreciate the time and effort which you and members of your staff have expended to make this a meaningful process. We look forward to your success in achieving your goals and, in doing so, contributing to our success in meeting the National goals and objectives of the Agency's Strategic Business Plan.


LA VERNE AUSMAN
Administrator
Farmers Home Administration


MARY ANN BARON
Acting Administrator
Rural Development Administration

Attachments

**1992-1993 MANAGEMENT
AND SERVICING GOALS****ATTACHMENT A****GENERAL COMMENTS
AND EXPLANATIONS**

You will note that there have been policy changes on several goals which are reflected and crossreferenced under the respective goal within the Farmer Program and Rural Housing Attachments to the Administrative Notice.

These changes to final goals have been made as a result of the large number of similar comments received on these goals. The changes and explanations are as follows:

1. Farmer Program goal 2 A - Reduce Delinquent Dollars:

Many States commented that flagged accounts should either be eliminated from the dollars delinquent on which the goal was based or that flagged (BAP, FAP, CAP) accounts should be addressed under a separate subgoal since such accounts take longer and are more difficult to resolve. We agreed and have established 2 separate goals for reducing delinquent dollars. Goals 2 A i and 2 A ii therefore replace draft goal 2 A. Please refer to the FP AN attachment for specifics of how these goals are calculated, measured and weighted. Please note that SAA's are not included in either goal.

2. FP Goal 2 D - Inventory Property:

Based upon numerous comments regarding appeals, litigation and wetlands issues causing probable delays in the ability to dispose of properties, the National objective has been changed. The National objective has been reduced from 90% to 80% of all properties identified as available for sale on a list of properties that will be provided. This list, which will include specific names, was developed by taking all properties minus properties showing current leaseback/buyback and dwelling retention contracts, then minus all properties which have been in inventory less than 12 months. The ultimate list identifies properties currently in inventory with the longest holding period which should be able to be sold. The list for each State will be distributed during the Farmer Program training part of the Spokane, Washington, meeting. The 20% margin now provided should allow ample leeway for any properties on the list that may have appeal, litigation, environmental, or wetland actions pending which could prevent their sale. We have no way of knowing which

properties on the list, if any, may have any of the above actions pending which would prevent their sale. Therefore, we are requesting that upon your receipt of the list, you identify any properties having any of the cited actions pending and notify the National Office by fax or letter no later than August 1, 1992, for exclusion of any such properties. This exclusion list of exempted properties will need to be updated 30 days prior to the end of the performance year on June 30, 1993. This update will allow us to establish any final goal margins beyond the 20% originally established for each State. The final goal margin will be used to calculate performance for the goal year.

For example, if the margin established for State A is 25% (20% original margin plus 5% more of properties on the original list which were identified by the State in the June 1, 1993, update that could not be sold due to cited actions) then the State must have reduced only 75% of the properties identified on the original list.

3. FP Goal 1 A - First Year Delinquency:

While no changes have been made to this goal, numerous States commented that the first year delinquency goal should be separate and lower for rescheduled and continuation loans than for new loans. Commenters argued that probability for delinquency was far greater for such loans due to tighter margins. We considered revising the goal to have a separate measure for new versus rescheduled loans; however, we are not able to do so this year. The Finance Office does not have capability to track these loans separately. We have requested an RFA (Request For Alterations) to enable separate tracking and consideration for separation of this goal for the next performance year.

4. FP Goals 1 B & 3 B - Processing Time:

The National Office had committed in AN No. 2447 to supply all States with an automated tracking system by July 1992 for use in monitoring these goals. It has been determined by Automation staff that this tracking system will not be ready until early December for delivery and installation in field offices. These goals will become effective July 1, 1992. However, for performance measurement, they will only be measured for the period that the automated tracking system is functional in field offices. Because the issue of processing time has had very high visibility and attention recently due to Congressional and borrower concerns, the Agency must give this issue attention.

By regulation, application processing cards are to be maintained at all County Offices; therefore, State and District level

management monitoring should be enforced despite the absence of an automated tracking system and formal measurement.

5. Housing MFH Goal 2 D - MFH Delinquency:

This goal has been modified due to the large number of comments received. Commenters stated that flagged accounts should be exempted from counting against States for determining goal performance. Again, we have agreed and have modified the National Office objective and, in States who have flagged accounts, such accounts have been eliminated in calculating final goal levels for States. For States which had no flagged accounts, no change was made. Bankruptcy actions pending (BAPs) are not identified separately in MFH; therefore all accounts flagged BAP are considered within CAPS. Please see the AN Housing attachment under goal 2 D for further explanation.

6. Farmer Programs Goal 2 C - Move Borrowers to Other Credit:

Due to the reductions made to individual State level goals as a result of justifications provided, the National Agency Objective has been reduced from 5% to 4.2%. This change was necessary since the sum total of all final State goal levels must total the National Objective.

**1992-1993 MANAGEMENT
AND SERVICING GOALS****ATTACHMENT B****FARMER PROGRAMS**

Goals are an important tool in accomplishing program objectives. They focus effort on activities which will result in accomplishment of objectives set forth in the Agency's Strategic Plan. Significant progress is being made in many States. Accomplishment of these goals not only reduces program costs, but improves the success ratio of our borrowers. Farmer Programs Management and Servicing goals are focused on the following goals and objectives as identified in the FmHA Strategic Business Plan:

1. Credit Quality/Loan Making
2. Portfolio Management
3. Guaranteed Loans

CREDIT QUALITY AND/OR LOAN MAKING

**GOAL 1 A. REDUCE NUMBER OF ALL INSURED LOANS BECOMING DELINQUENT
THE FIRST YEAR AFTER BEING MADE OR RESTRUCTURED
BETWEEN 1/1/92 AND 12/31/92**

WEIGHT: 20 percent

NATIONAL AGENCY OBJECTIVE: 13 percent

MEASUREMENT: FOCUS Run on PLAS Database (same as 1991-92)

**Please see Attachment A, General Comments and Explanations,
Item 3, for further discussion.**

Of the loans made or restructured between January 1, 1991, and December 31, 1991, 24.1 percent were not paid as scheduled as of March 10, 1992.

Achievement of this goal depends primarily on the decisions of credit officials. If the delinquency rate is higher than the goal, it should be due to unusual disasters or similar problems beyond the control of credit officials. These uncontrollable factors will be evaluated on a State-by-State basis throughout the year.

The first year delinquency percentage will be determined as described below. Delinquency is defined as being more than 30 days past due on a scheduled loan payment.

1. Determine the number of loans made and/or restructured between January 1, 1992, and December 31, 1992.
2. Determine the number of these loans which are delinquent as of June 30, 1993, or would have been delinquent on June 30, 1993, except that the delinquency was removed by restructuring between January 1, 1993 and June 30, 1993.
3. The number of loans in number 2, divided by the total number of loans made or restructured during the period, equals the first year delinquency rate. EXAMPLE:

No. of loans made or restructured between 1/1/92 and 12/31/92:	1,000
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No. of the above loans delinquent on 6/30/93:	40
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No. of the restructured loans which are delinquent or would have been had they not been restructured again between 1/1/93 and 6/30/93:	60
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Goal level: $40 + 60$ divided by $1,000 = 10\%$ first year delinquency rate.

State goal levels were developed to require states with a first year delinquency level significantly above the National Agency Objective to make substantial progress toward the objective level. States with levels above the goal level, but closer to it, are expected to reach the National Agency Objective. States at or below the National Agency Objective level are encouraged to maintain or reduce current levels, but must not exceed the National Objective level to meet the goal.

Specific goal levels were developed using the first year delinquency level for the 1991-92 goal period, using data as of March 31, 1992, as a base.

- o States with a rate of 30 percent or above will reduce by 15 percent.
- o States with a rate from 25 to 29 percent will reduce by 10 percent.
- o States with a rate from 20 to 24 percent will reduce by 7 percent.
- o States with a rate from 14 to 19 percent will reduce to 13 percent.

- o States at or below 13 percent will maintain or not exceed the base level of 13 percent.

Any percentages will be rounded up or down to the nearest whole number.

GOAL 1 B. IMPROVE TIMELINESS OF PROCESSING INSURED LOAN APPLICATIONS

WEIGHT: 10 percent

NATIONAL AGENCY OBJECTIVE: Loan Approval Time Will be 60 Days or Less from Receipt of Complete Application

MEASUREMENT: Please see Attachment A, General Comments and Explanations, Item 4, for further discussion.

States will only be measured against the total 60-day timeframe, and not incremental timeframes.

Timely processing of loan applications is critical to meet statutory requirements and to provide quality service to FmHA applicants and borrowers. Achievement of this goal will require timely action by County Office Staff, County Committees, and loan review/underwriting officials as follows:

- a) Review application; advise applicant of additional information needed 14 calendar days
- b) County Committee action on completed application. 7 calendar days
- c) Analyze, review, underwrite and approve or reject application. 60 calendar days

States which have no more than 5 percent of complete applications approved or rejected beyond the 60 day requirement will be considered as having met this goal. Time during appeals will not be included in the calculations.

GOAL 1 C. PROVIDE MAXIMUM OPPORTUNITY TO SOCIALLY DISADVANTAGED GROUPS TO BECOME SUCCESSFUL FARMERS

WEIGHT: 5 percent

NATIONAL AGENCY OBJECTIVE: Obligate 100% of SDA Targeted Insured FO Funds

Section 617 of the 1987 Agricultural Credit Act and Section 2501 (f) of the 1990 Food, Agriculture, Conservation and Trade Act direct the Secretary of Agriculture to ensure that members of socially disadvantaged (SDA) groups have an opportunity to own and operate farms/ranches and to participate in agricultural programs.

The goal for 1992-1993 is to obligate 100 percent of the targeted SDA insured (direct) FO loan funds for all States, except Alaska. Alaska is exempted due to very limited farming in the area served. State Offices which do not have enough funds to make more than one SDA direct FO loan will meet their goal if they make at least one SDA direct FO loan in FY 1993 even though they do not obligate 100 percent of their allocation.

MEASUREMENT: Report Code 205-C

PORTFOLIO MANAGEMENT

GOAL 2 A. REDUCE FARMER PROGRAMS DELINQUENT DOLLARS

TOTAL WEIGHT: 15 percent

NATIONAL OBJECTIVE: Reduce overall amount of delinquent dollars (P&I) by 39 percent by June 30, 1993. This National Objective represents goals i and ii combined reduction and assumes all States meet both goals.

i. Weight: 10%. Reduce the Amount of 7/1/92 Delinquent Dollars (P&I) in Nonflagged Accounts. 1951-S and Collection-Only accounts are the only "flagged" accounts included in this portion of the goal.

Example: \$850,000 delinquent P&I as of July 1, 1992, less 90 percent equals a balance outstanding of \$85,000 as of June 30, 1993.

ii. Weight: 5%. Reduce the Amount of 7/1/92 Delinquent Dollars (P&I) in Flagged Accounts (i.e., those flagged BAP, CAP, or FAP) by 12 percent by 6/30/93. Shared Appreciation Agreement (SAA) accounts are not included in this goal.

Example: \$700,000 delinquent P&I as of July 1, 1992, less 12 percent equals a balance outstanding of \$616,000 as of June 30, 1993.

MEASUREMENT: Each State's goal will be measured by reducing delinquent principal and interest as of July 1, 1992, by 90 percent for nonflagged accounts and 12 percent for flagged accounts by June 30, 1993.

Report Code 540 and FOCUS will be used to measure this goal.

Please see Attachment A, General Comments and Explanations, Item 1, for further discussion.

GOAL 2 B. TRACK LOAN SERVICING OF DELINQUENT BORROWERS USING AGCREDIT.

WEIGHT: 5 Percent

NATIONAL OBJECTIVE: Enter 100% of all delinquent borrowers, including those flagged BAP, CAP, FAP, and CO, into AGCREDIT and track them in that system.

MEASUREMENT: Case numbers of delinquent, BAP, CAP, FAP, and CO borrowers listed on the June 30, 1992, Report Code 540 will be compared with borrower case numbers in AGCREDIT. State Offices are responsible to ensure that 100% of the delinquent borrowers identified on the RC 540 are entered into AGCREDIT. States will be considered to have met the goal when all delinquent borrowers' names and case numbers are matched from all data sources. This match will not encompass matching a borrower's specific servicing status from the 2 sources. Goal achievement will be reported using percentages.

No current status is shown on goal worksheets since the number of borrowers that each State must enter to achieve the goal cannot be determined until the June 30, 1992, RC 540 is prepared.

GOAL 2 C. MOVE INSURED FARMER PROGRAM BORROWERS TO OTHER SOURCES OF CREDIT EITHER WITH OR WITHOUT A GUARANTEE (SUBORDINATIONS ARE NOT INCLUDED)

WEIGHT: 10 percent

NATIONAL OBJECTIVE: Move 4.2 percent of total existing insured borrower caseload as of June 30, 1992 to other credit by June 30, 1993. Youth loans are not counted in this goal.

MEASUREMENT: 5,000 (active borrowers) plus 2,000 (other borrowers) equals 7,000 total insured borrower caseload. 5 percent of 7,000 equals 350 borrowers to move to other credit by June 30, 1993.

The COORS report will be used to measure borrowers moved to other credit with or without a guarantee. Partial "graduations" will be counted as one-half of a full graduation when all of either the real estate or operating credit is moved to other credit with or without a guarantee. For example, if a borrower has two OL loans and one FO loan, one-half credit will be given towards goal accomplishment if both OL's were refinanced with or without a guarantee and reported on COORS.

GOAL 2 D. SALE/TRANSFER OF FARMER PROGRAM INVENTORY PROPERTIES

WEIGHT: 10 percent

NATIONAL OBJECTIVE: Dispose of 80 percent of inventory farms by June 30, 1993, and maintain that rate of disposal annually thereafter. The 80 percent rate allows for a 20 percent margin for properties which are impossible to sell due to environmental, appeals, litigation, or wetland actions.

MEASUREMENT: Each state is to reduce by June 30, 1993, 80 percent of the number of farm inventory properties that are in inventory on June 30, 1992, as identified on a list to be provided to each State Office.

Please see Attachment A, General Comments and Explanations, Item 2, for further discussion and instruction.

Example: 200 (total inventory farms) less 50 (leaseback/buyback and dwelling retention) less 30 (in inventory less than 12 months) equals 120 multiplied by 80 percent equals 96 farms to sell/transfer by June 30, 1993.

The National Office will use Report Code 593 and FOCUS to measure this goal. Each State should refer to Report Code 597 and FOCUS for goal updates.

GUARANTEED LOANS

GOAL 3 A. INCREASE GUARANTEED LOAN OBLIGATIONS AS A PERCENT OF TOTAL OBLIGATIONS

WEIGHT: 15 percent

NATIONAL AGENCY OBJECTIVE: 80 Percent of Total Loan Obligations Made Between 7/1/92 and 6/30/93 Will Be Guaranteed

MEASUREMENT: RC 205 and FOCUS run for lines of credit

The goal level is established so that the Agency will have sufficient insured funds to meet demand. It assumes that the level of insured funds in the President's FY 93 Budget will be offset with guarantees using interest assistance, and that overall credit demand is constant.

The total of (1) insured loan obligations (excluding EM and youth loans), (2) guaranteed loan obligations, and (3) LOC's which could be advanced for the 2nd or 3rd year, will be divided by the sum of (2) and (3) as of the end of rating period on June 30, 1993.

State goal levels were developed so that states at very high percentages of guaranteed credit would have an opportunity to exceed the goal, and states below or significantly below the National Agency Objective would be required to make substantial progress toward the National Agency Objective.

The specific goal levels were developed using actual status as of March 31, 1992, plus projections for additional obligations through June 30, 1992. The projections were based on applications on hand, approval rates, and the percentage of guaranteed obligations since June 30, 1991.

- o States projected below 70 percent must increase by 5 percent.
- o States projected between 70 and 75 percent have a goal of 75 percent.
- o States projected between 75 and 80 percent should maintain their projected level.
- o States projected at 80 percent or above will be allowed to decrease to not less than 80 percent without being penalized and will be considered to have met their goal.

Any percentages will be rounded up or down to the nearest whole number.

GOAL 3 B. IMPROVE TIMELINESS OF PROCESSING ALP GUARANTEED LOAN APPLICATIONS

WEIGHT: 10 percent

NATIONAL OBJECTIVE: Approve a guarantee (i.e., Form FmHA 1940-3 signed) in 14 calendar days or less.

MEASUREMENT: Please see Attachment A, General Comments and Explanations, Item 4, for further discussion. Measurement will be applied against the total 14-day timeframe, not incremental timeframes.

Excessive processing time for guarantee requests is a major source of complaints from lenders. Timely processing will encourage lender participation, provide guaranteed borrowers funds on a more timely basis, and reduce demand for direct loan funds.

Achievement of this goal will require timely action by County Office Staff, County Committees, and Loan review/underwriting officials as follows:

- a) Review application, advise lender of additional information needed 2 calendar days
- b) County Committee action on application 7 calendar days
- c) Analyze, review, underwrite and approve (i.e., Form FmHA 1940-3 signed) or reject application 5 calendar days

Total - 14 Calendar days

States which have no more than 10 percent of complete applications approved or rejected beyond the 14-day requirement will receive full credit for this goal. Time spent in the appeals process will not be included in the calculations for this goal.

**1992-1993 MANAGEMENT
AND SERVICING GOALS****ATTACHMENT C****HOUSING PROGRAMS**

Goals established for the Housing Program are consistent with the Agency's Strategic Plan. Some of the major objectives are (1) improving credit quality, including cost containment in the MFH program; (2) improving portfolio management, including reducing the vulnerability of the 515 program; and (3) increasing use of guaranteed programs. The 1992-1993 goals focus on these areas of program activity, and achieving them will contribute significantly to the Agency's attainment of Strategic Plan objectives.

CREDIT QUALITY/ LOAN MAKING**GOAL 1 A. IMPROVE SFH UNDERWRITING MEASURES AND REDUCE FIRST-YEAR
ACTUAL DELINQUENCIES**

WEIGHT: 10 percent

NATIONAL OBJECTIVE: 3 percent as of 6/30/93

Although the first-year delinquency national goal was 4 percent for the period ending 6/30/92, the national average for first year delinquency as of 2/29/92 (initial loans - moratoria excluded) was 3.2 percent. Based on this reduction and the current economic conditions, 3 percent was determined to be a reasonable and achievable goal on a national basis for FY 1993. Therefore, for FY 93 all States with a first-year delinquency of 4.5 percent or less will have a goal not to exceed 3 percent. Those States with an actual first-year delinquency over 4.5 percent will have a goal to reduce that delinquency by 50 percent of the difference between their actual first-year delinquency and 3 percent.

MEASUREMENT: Report Code 580 data will be used to measure accomplishment.

**GOAL 1 B. HELP ELIGIBLE FAMILIES WITH HOME OWNERSHIP BY FULLY
USING ALLOCATED SECTION 502 VERY-LOW INCOME FUNDS
(OBLIGATE 70% OF THE FY ALLOCATION BY 6/30/93)**

WEIGHT: 3 percent

NATIONAL OBJECTIVE: 70 percent of FY 1993 allocation

The importance of delivery of these funds is indicated by the statutory requirement to set aside 40% of appropriated Section 502 funds for very low-income families or persons and is a clear indication Congress intends to target funds to those most in need. The 70% level is a reasonable goal on a national basis, since we will be through three quarters of the FY 93 as of 6/30/93 and States will have had access to 95% of the full year's allocation.

MEASUREMENT: RC 205C Monthly. Accomplishment level will be determined by dividing the actual percentage of funds used by the goal percentage.

GOAL 1 C. CONTAIN MFH BUILDING COSTS

WEIGHT: 15 percent

NATIONAL AGENCY OBJECTIVE: Maintain MFH Building Costs on a Per Unit Basis At or Below the Final Goal Levels Which Have Been Negotiated for Each State

Cost containment is an ongoing goal in multiple housing programs. Continued emphasis is being placed on reducing the cost of units built under the Section 515 program. This year all States were requested to assist with the establishment of their goal, bearing in mind proposals in the pipeline and ongoing cost containment strategies in the State. Overall, we were pleased with the significant efforts made by States to analyze and project cost. In determining whether the State goals were acceptable, regional means were again considered. In addition, an inflation factor of 7% was considered, utilizing the Consumer Price Index (CPI) for last year and the projected year. The CPI was utilized instead of Marshall & Swift due to the latter's inability to forecast cost into 1993. Goals for States which did not exceed 107% of their actual FY 91 costs and did not exceed the regional means were accepted.

Goals for States which exceeded 107% of their actual FY 91 cost and exceeded the regional mean were not accepted. These States must reduce their goal to no more than 107% of their actual FY 91 costs. Goals were not established for North Dakota, Hawaii, and the Western Pacific Territories due to lack of volume. Goals for

Alaska, Puerto Rico, and the Virgin Islands were based on FY 91 data due to lack of a reliable regional mean.

MEASUREMENT: AMAS and FOCUS will be used to measure performance.

PORTFOLIO MANAGEMENT

GOAL 2 A. IMPROVE SFH PORTFOLIO MANAGEMENT BY REDUCING THE PERCENTAGE OF NONPERFORMING BORROWERS, THE AMOUNT OF DOLLARS DELINQUENT, AND THE PERCENTAGE OF ACTUAL DELINQUENCY

TOTAL WEIGHT: 13 percent

i. REDUCE THE PERCENTAGE OF NONPERFORMING BORROWERS (WEIGHT: 3 percent). The Agency goal is to have no more than 5.0 percent of all delinquent borrowers classified as nonperforming by June 30, 1993. Nonperforming borrowers are those which meet all of the following criteria:

- a. 6 payments past due (5 payments delinquent on RC 580);
- b. No entry in the FLG column on RC 580;
- c. Not on moratorium; and
- d. Does not have a transaction pending (indicated by a * to the left of the borrower name on RC 580).

In addition, borrowers who are at least 2 payments past due (1 payment delinquent) on a Delinquency Workout Agreement (DWA) are also classified as nonperforming.

Nonperforming borrowers are not currently identified on any report. However, the RC 580 is being modified to allow tracking of this goal. These modifications are expected to be in place for the August 1992 RC 580 report. The percentage of nonperforming borrowers for each State is shown on Exhibit 1 to this Attachment.

ii. REDUCE THE AMOUNT OF DELINQUENT DOLLARS OUTSTANDING (WEIGHT: 5 percent). The Agency goal is to reduce the amount of dollars delinquent by 7.5 percent. A 7.6 percent reduction was realized from January through March 1992, due in large part to the one-time reamortization authority for accounts with current DWAs. The 7.5 percent reduction is to be made from the amount reported on RC 581 dated April 1, 1992. The base status and goal for each State are shown on Exhibit 1 to this Attachment.

iii. REDUCE ACTUAL DELINQUENCIES (WEIGHT: 5 percent). The Agency goal is to have no more than 12.7 percent of the monthly payment caseload delinquent by June 30, 1993. Since emphasis was

placed on actual delinquency in 1989, significant progress has been made. The National average for actual delinquency in August 1989 was 17.2 percent. As of April 1, 1992, it had been reduced to 13.8 percent. The goals for each State are set according to the following criteria based on the April 1, 1992, RC 581:

Category	Goal
10.0% or below	Maintain current level
10.1% to 13.0%	5.0% reduction
13.1% to 15.0%	7.5% reduction
15.1% to 19.0%	10.0% reduction
19.1% and above	12.5% reduction

The base status and goal for each State are shown on Exhibit 1 to this Attachment.

MEASUREMENT: RC 581

GOAL 2 B. GRADUATE SFH BORROWERS TO PRIVATE CREDIT

WEIGHT: 5 percent

NATIONAL OBJECTIVE: Graduate 9.8 Percent of Eligible Borrowers

The Agency goal is to graduate 9.8 percent of the borrowers on RC 860 issued in June 1992; individual State goals are shown on Exhibit 1 to this Attachment. Enormous progress has been made in this area in the past year. Nationally, the average graduation rate was 14.9 percent of borrowers on RC 860 as reported on RC 573 dated April 30, 1992, with 2 months still to be added. It is recognized that this has partly been the result of very favorable interest rates, but in large part has been due to the aggressive efforts put forth by field staffs. Although some borrowers have previously appeared on the RC 860 and not been able to graduate, each 2-year cycle of the report brings in newly eligible borrowers. In addition, some repeat borrowers may be able to graduate this time due to improvement in family finances or more favorable rates and terms than two years ago.

It is again recommended that the graduation list be worked from the beginning, rather than by quarters as prescribed in FmHA Instruction 1951-F. The borrowers appearing on this report will be prescreened as to subsidy, delinquency and loan balance. Continued favorable commercial interest rates coupled with early borrower contact and timely follow-up should enable each State, and the Agency as a whole, to meet or exceed this year's goal. A worksheet showing each State's goal will be sent out after the RC 860 has been received in the National Office.

MEASUREMENT: REPORT CODE 860 AND 573

**GOAL 2 C. MANAGE, MAINTAIN AND MARKET SFH INVENTORY PROPERTY.
REDUCE INVENTORY AND RETENTION TIME FOR BOTH PROGRAM AND
NONPROGRAM PROPERTIES.**

WEIGHT: 7 percent

NATIONAL OBJECTIVE: Reduce inventory to 0.75 percent of caseload or less by 6/30/93

The Agency goal continues to be reducing the retention time and the number of SFH inventory property. As in the past year, a significant factor will be reducing acquisitions through the full use of servicing authorities for voluntary liquidation, limiting conveyance by deed in lieu of foreclosure, and encouraging third party acquisition at foreclosure sales. For the property the Agency does acquire, it is essential to promptly secure, repair and market it, maintaining and aggressively marketing it to assure the earliest return of its full value to the program.

The Agency goal for retention time is to have no program property that has been in inventory more than 18 months and no nonprogram property that has been in inventory more than 12 months. Any SFH inventory property which cannot be sold due to litigation beyond the control of the Agency may be submitted for consideration of exclusion no sooner than 30 days before the end of the goal period.

The Agency goal is to have no more than 0.75 percent of SFH caseload in inventory as of June 30, 1993. State goals, based on caseload and inventory as of March 31, 1992, are established according to the following criteria:

Category	Goal
0 to .10	.10
.11 to .20	.20
.21 to .30	.30
.31 to .40	.40
.41 to .50	.50
.50 to 1.00	10% reduction
1.01 to 1.50	20% reduction
Above 1.50	30% reduction

The status and goal for each State are shown on Exhibit 1 to this Attachment.

MEASUREMENT: APTS and RC58 Daily and Monthly

GOAL 2 D. REDUCE ACTUAL MULTIPLE FAMILY HOUSING DELINQUENCY**WEIGHT: 7 percent****NATIONAL AGENCY OBJECTIVE: 3.0 percent**

The National goal is to have no more than 3.0 percent of the caseload delinquent on June 30, 1993. Accounts flagged with Court Action Pending (CAP), which includes accounts with bankruptcy actions pending, or Foreclosure Action Pending (FAP) will not count when calculating the delinquency percentage. As a result of not including FAP and CAP accounts, the National goal was decreased from 3.5 percent to 3.0 percent. States with accounts flagged CAP or FAP had their goals reduced to reflect this change.

Also see Attachment A, General Comments and Explanations, Item 5, for further discussion.

States must comply with time frames outlined in regulations in flagging accounts with CAP or FAP. In no instance, shall delinquent accounts be flagged with CAP or FAP before the period set forth in regulations for the sole purpose of impacting the number of accounts delinquent. It is important that State Offices continue to submit copies of acceleration notices to the National Office in compliance with FmHA Instruction 1955-A. The National Office will be using these notices to monitor the acceleration expiration dates for newly flagged accounts.

MEASUREMENT: Report Code 616 for each quarter will be used to measure progress on meeting the goal; the June 30, 1993, RC 616 will be used to measure the annual accomplishment.

GOAL 2 E. RECEIPT/REVIEW OF ANNUAL MFH PROJECT REPORTS**WEIGHT: 5 percent****NATIONAL AGENCY OBJECTIVE: 90% of Total Agency Caseload**

Untimely receipt and review of project annual reports jeopardize the opportunity to detect and correct problems at an early stage. This process is critical to vulnerability issues in the MFH program.

The Agency objective is to receive and review 90% of the caseload requiring annual reports, which includes all 515 projects and those Labor Housing projects with loan agreements requiring annual reports. Adjustments to the initial goals were made for States which requested adjustment to the number of reports due because of bankruptcies, foreclosures, and those accounts without loan

agreements requiring annual reports.

MEASUREMENT: The MFH Servicing Report will be used to monitor quarterly progress and the annual achievement. The number of reports due divided by the number of reports received AND reviewed will determine the performance level.

GOAL 2 F. MFH REQUIRED ON SITE SUPERVISORY PROJECT VISITS

WEIGHT: 5 percent

NATIONAL AGENCY OBJECTIVE: Make 100% of the Required Visits

FmHA Instruction 1930-C requires a supervisory visit to every project at least every three years. This includes on-farm labor housing units, regardless whether they are single family type or multiple family type. In some states, the county office may be performing the LH supervisory visit in connection with the annual farm visit. If this is the case, the county supervisor must prepare the visit report and submit a copy to the district office. The district office will count this visit as a completed visit.

MEASUREMENT: MFH Servicing Report submitted quarterly by State Directors will be used to monitor progress and annual accomplishment. The performance level will be determined by dividing the number of visits due per the goal by the number of visits required.

GOAL 2 G. VISIT ALL PROJECTS MORE THAN 6 MONTHS DELINQUENT AND NOT SCHEDULED FOR A REQUIRED VISIT

WEIGHT: 5 percent

NATIONAL AGENCY OBJECTIVE: 100%

This goal is more aggressive than the goal for required three-year visits. The visits to delinquent accounts is an opportunity to resolve delinquencies and other problems and decrease the potential for fraud, waste and abuse in the MFH Program. The delinquency visit need not be a complete supervisory visit, but should primarily address the delinquency and alternatives for resolving it.

MEASUREMENT: The MFH Servicing Report and RC 616 will be used to monitor quarterly progress and annual achievement.

In order to measure F and G above, the State Office will submit a

quarterly servicing report to the National Office using the format attached as Exhibit 2. The MFH Servicing Report format for the 1992-1993 goals is based on total caseload - both 515 and farm labor housing - rather than a breakdown between the two programs. The initial report will be based on the 6-30-92 delinquency report, and will be due in the National Office by August 15, 1992. Quarterly updates will be submitted to the National Office within 45 days from the ending date of the corresponding quarter.

In order to close out the monitoring of the 1992 goals, the format currently being used will be submitted to the National Office as soon as possible after the June 30, 1992, delinquency information is received. In addition to submission of the current Servicing Report format, the format attached to this AN will be submitted to the National Office by August 15, 1992, and for each quarter thereafter. This means that for the 6-30-92 quarter only, both formats will be submitted.

GUARANTEED LOANS

**GOAL 3 A. INCREASE USE OF THE GUARANTEED NONSUBSIDIZED PROGRAM.
STATES ARE EXPECTED BY 6/30/93 TO HAVE UTILIZED
70 PERCENT OF THE FY 1993 ALLOCATION**

WEIGHT: 25 percent

NATIONAL OBJECTIVE: 70 percent of allocated funds

MEASUREMENT: RC 205C Monthly

States will have had access to 3 quarters of the FY 1993 funds as of 6/30/93 and to 95% of the full year's allocation at the end of the goal year, June 30, 1993. The effective delivery of this program continues to have a very high Departmental and Agency priority.

The National Office will continue to provide monthly and quarterly updates to the State Office which will include a goals progress status report and any necessary recommendations for corrective action.

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ATTACHMENT C
EXHIBIT 1

SFH PORTFOLIO MANAGEMENT GOALS FOR 6/30/93

final goal
18-Jun-92

STATE	3/28/92 NONPERF. STATUS	6/30/93 NONPERF. GOAL	3/28/92 \$ DELQ. STATUS	6/30/93 \$ DELQ. GOAL	3/28/92 ACT.DELQ. STATUS	6/30/93 ACT.DELQ. GOAL	6/30/93 GRAD. GOAL	3/28/92 INVEN. STATUS	6/30/93 INVEN. GOAL
AL	6.0%	5.5%	\$2,697,000	\$2,495,000	11.6%	11.0%	9.8%	1.025	0.82
AK	9.2%	5.0%	\$152,000	\$141,000	8.9%	8.9%	10.0%	0.373	0.40
AZ	8.5%	5.5%	\$1,354,000	\$1,252,000	13.0%	12.4%	7.5%	1.061	1.00
AR	10.7%	5.0%	\$5,503,000	\$5,090,000	12.7%	12.1%	10.0%	0.697	0.63
CA	11.1%	5.0%	\$3,367,000	\$3,114,000	10.8%	10.3%	10.0%	0.264	0.32
CO	16.3%	8.0%	\$1,204,000	\$1,114,000	11.5%	10.9%	10.0%	0.585	0.53
DE	5.1%	5.0%	\$1,984,000	\$1,836,000	13.6%	12.7%	10.0%	0.200	0.24
FL	2.1%	5.0%	\$5,897,000	\$5,455,000	8.2%	8.2%	10.0%	0.724	0.66
GA	10.5%	5.0%	\$9,697,000	\$8,970,000	17.8%	16.0%	10.0%	1.170	0.94
HI	34.1%	5.0%	\$1,650,000	\$1,526,000	11.8%	11.2%	10.0%	0.000	0.10
ID	7.2%	5.0%	\$916,000	\$847,000	8.8%	8.8%	10.0%	0.857	0.78
IL	11.2%	5.0%	\$2,482,000	\$2,296,000	12.2%	11.6%	10.0%	0.594	0.54
IN	9.4%	5.0%	\$3,399,000	\$3,144,000	15.9%	14.3%	10.0%	0.450	0.50
IA	11.1%	5.0%	\$1,026,000	\$949,000	5.6%	5.6%	10.0%	0.055	0.10
KS	6.5%	5.0%	\$660,000	\$611,000	8.4%	8.4%	10.0%	0.658	0.66
KY	8.9%	5.0%	\$3,492,000	\$3,230,000	11.0%	11.0%	10.0%	0.341	0.50
LA	14.4%	5.0%	\$15,943,000	\$14,747,000	22.6%	19.8%	10.0%	1.882	1.32
ME	9.2%	5.0%	\$3,296,000	\$3,049,000	13.8%	12.8%	10.0%	0.108	0.40
MA	8.2%	5.0%	\$3,214,000	\$2,973,000	12.6%	11.8%	10.0%	0.200	0.20
MI	12.2%	5.0%	\$4,309,000	\$3,986,000	16.9%	15.2%	10.0%	0.460	0.50
MN	10.0%	5.0%	\$788,000	\$729,000	8.3%	8.3%	10.0%	0.581	0.75
MS	11.2%	5.0%	\$11,175,000	\$10,337,000	17.5%	15.8%	8.0%	0.896	0.81
MO	7.8%	6.0%	\$1,432,000	\$1,325,000	8.8%	9.0%	10.0%	1.212	0.97
MT	8.3%	5.0%	\$421,000	\$389,000	8.3%	8.3%	10.0%	0.652	0.59
NE	9.4%	5.0%	\$1,072,000	\$992,000	10.8%	10.3%	10.0%	0.385	0.40
NJ	8.2%	5.0%	\$18,812,000	\$17,401,000	23.8%	20.8%	10.0%	0.580	0.53
NM	15.0%	5.0%	\$2,298,000	\$2,126,000	16.5%	14.9%	10.0%	1.180	0.95
NY	15.0%	5.0%	\$8,660,000	\$8,011,000	15.3%	13.8%	10.0%	0.323	0.40
NC	5.5%	5.0%	\$4,161,000	\$3,849,000	8.0%	8.0%	10.0%	0.353	0.40
ND	9.4%	5.0%	\$1,492,000	\$1,380,000	13.7%	12.7%	10.0%	1.466	1.18
OH	8.8%	5.0%	\$5,512,000	\$5,099,000	14.0%	13.0%	10.0%	0.603	0.55
OK	18.0%	8.0%	\$7,238,000	\$6,695,000	18.7%	16.8%	7.5%	2.016	1.21
OR	6.8%	5.0%	\$1,163,000	\$1,076,000	9.0%	9.0%	10.0%	0.477	0.50
PA	13.6%	5.0%	\$5,545,000	\$5,129,000	13.6%	12.6%	10.0%	0.155	0.20
PR	10.5%	5.0%	\$21,434,000	\$19,826,000	23.3%	20.4%	7.0%	0.680	0.62
SC	4.4%	5.0%	\$7,607,000	\$7,036,000	11.7%	11.1%	10.0%	1.195	0.96
SD	10.1%	5.0%	\$363,000	\$336,000	7.9%	7.9%	10.0%	0.253	0.50
TN	7.5%	5.0%	\$3,842,000	\$3,554,000	11.7%	11.1%	10.0%	0.397	0.40
TX	19.4%	5.0%	\$12,865,000	\$11,900,000	20.2%	17.7%	7.0%	1.952	2.00
UT	10.4%	5.0%	\$1,087,000	\$1,005,000	14.3%	13.2%	10.0%	0.545	0.50
VT	6.5%	5.0%	\$3,083,000	\$2,852,000	14.1%	13.0%	10.0%	0.189	0.20
VA	8.9%	5.0%	\$7,558,000	\$6,991,000	14.8%	13.7%	10.0%	0.642	0.58
WA	4.6%	5.0%	\$522,000	\$483,000	7.1%	7.1%	10.0%	0.225	0.30
WV	9.9%	5.0%	\$1,981,000	\$1,832,000	11.7%	11.1%	10.0%	0.889	0.80
WI	9.6%	5.0%	\$3,138,000	\$2,903,000	10.3%	9.8%	10.0%	0.651	0.59
WY	8.2%	5.0%	\$232,000	\$215,000	6.3%	6.3%	10.0%	0.460	0.50
National	10.9%	5.0%	\$205,723,000	\$190,296,000	13.8%	12.7%	9.8%	0.746	0.65

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ATTACHMENT C
EXHIBIT 2
PAGE 1SUBJECT: MFH Servicing Report
State of _____ Date _____TO: Administrator
Farmers Home Administration
Washington, D.CATTENTION: Multiple Housing Servicing
and Property Management Division

Quarter Ending	Quarter Ending	Quarter Ending	Quarter Ending	Quarter Ending
6-30-92	9-30-92	12-31-92	3-31-93	6-30-93

The information below is based on the total caseload:

SECTION I: DELINQUENCY

Number of accounts shown as delinquent on Report Code 545

The following servicing actions equal the total number shown as delinquent:

Accounts in foreclosure

Accounts in bankruptcy

Charge-off planned/in process

Servicing Plan in effect

Servicing Plan needed

Documents in the Finance Office for processing

Transfer in process

Reamortization in process

Problem Case in process/needs to be prepared

Reason for delinquency unknown, audit needed

Other (Explain)

SECTION II: RECEIPT AND REVIEW OF 1991 ANNUAL REPORTS

Total due _____ x 90% = _____ GOAL

(Number for each quarter is accumulative)

Number Received

Number Analyzed

Goal Progress (Difference between number received and number analyzed)

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ATTACHMENT C
EXHIBIT 2
PAGE 2

Quarter Ending	Quarter Ending	Quarter Ending	Quarter Ending	Quarter Ending
6-30-92	9-30-92	12-31-92	3-31-93	6-30-93

SECTION III: REQUIRED SUPERVISORY VISITS

GOAL _____

Number Completed (Each quarter is accumulative)

SECTION IV: VISITS TO ACCOUNTS DELINQUENT SIX MONTHS OR MORE

GOAL: _____

Number Completed (Each quarter is accumulative)

SECTION V: COMMENTS

Signature

Title

MANAGEMENT GOALS
JULY 1, 1992 THROUGH
JUNE 30, 1993

ATTACHMENT D

COMMUNITY AND
BUSINESS PROGRAMS

INTRODUCTION

Goals established for Community and Business Programs (C&BP) are consistent with the Rural Development Administration's (RDA) strategic plans. The management goals for C&BP are derived from three major Agency objectives: (1) Improving credit quality; (2) Improving portfolio management; and Increasing the use of guaranteed authority in Community Facilities (CF) and Business and Industry (B&I) programs.

Historical data and trends, current status of portfolio, and economic conditions were used in determining the Agency objectives and National Office goals for each State. The goals, based on the above justification, have been determined reasonable as well as obtainable.

DISCUSSION OF GOALS

CREDIT QUALITY AND/OR LOANMAKING

GOAL 1 A. COMMUNITY FACILITIES - FUND UTILIZATION

WEIGHT: 5 percent

States are expected to use allocated funds to meet the credit needs within their State. States are expected, by October 1, 1992, to have utilized 100 percent of the FY 92 allocation and by June 30, 1993, to have utilized 75 percent of the FY 93 allocation.

MEASUREMENT: Goal accomplishment will be based on data contained in the 205C report to arrive at a percentage of initial allocation obligated for each fiscal year. The results will be weighted 25% for fiscal year 1992 obligations and 75% for fiscal year 1993 obligations. For multiple State Offices, each State allocation will be divided by the total allocation for the jurisdiction to arrive at a percentage. The individual State score will then be multiplied by the resulting percentage to obtain a State weighted score. All State weighted scores will then be added to obtain the jurisdiction score.

GOAL 1 B. BUSINESS AND INDUSTRY - IMPROVE QUALITY OF CREDIT DECISIONS

WEIGHT: 5 percent

All loans originated will be analyzed and reviewed for soundness using industrial standards and Agency regulations with the objective that not more than 5 percent of the principal balance of loans closed in the last quarter of FY 91 and the first three quarters of FY 92 will become delinquent within the first three years. Emphasis should be placed on making quality loans; this includes a thorough analysis and review for financial soundness of the loan at the time of approval. Note: The goal also includes Disaster Assistance guaranteed loans, Intermediary Relending Program loans, and Disaster Assistance for Rural Business Enterprises guaranteed loans.

MEASUREMENT:

The goal for loans closed July 1, 1991, through June 30, 1992, will be measured annually as of June 30 for each of the next 3 years commencing June 30, 1992. The goal for loans closed in subsequent rating years (July 1 through June 30) will be measured at the end of the third year following the rating year in which the cohort of loans was closed.

EXAMPLE:

Five loans totaling \$6,000,000 are closed July 1, 1991, through June 30, 1992 (FY 92 cohort). Seven loans totaling \$7,000,000 are closed July 1, 1992, through June 30, 1993 (FY 93 cohort). Ten loans totaling \$10,000,000 are closed July 1, 1993, through June 30, 1994 (FY 94 cohort).

FY 92 cohort performance would be measured annually based on principal balance of loans comprising the cohort as of June 30 for each of the next 3 years commencing June 30, 1992.

FY 93 cohort performance would be measured based on principal balance of loans comprising the cohort as of June 30, 1995.

FY 94 cohort performance would be measured based on principal balance of loans comprising the cohort as of June 30, 1996.

GOAL 1 C. WATER AND WASTE DISPOSAL LOAN - FUND UTILIZATION

WEIGHT: 10 percent

States are expected to use allocated funds to meet the credit needs within their State. States are expected, by October 1, 1992,

to have utilized 100 percent of the FY 92 allocation and by June 30, 1993, to have utilized 75 percent of the FY 93 allocation.

MEASUREMENT: Procedure will be the same as for Goal 1 A.

GOAL 1 D. WATER AND WASTE DISPOSAL GRANT - FUND UTILIZATION

WEIGHT: 5 percent

States are expected to use allocated funds to meet the credit needs within their State. States are expected, by October 1, 1992, to have utilized 100 percent of the FY 92 allocation and by June 30, 1993, to have utilized 75 percent of the FY 93 allocation. States are expected to give maximum consideration to the ratio of loan to grant funds in managing their allocations.

MEASUREMENT: Procedure will be the same as for Goal 1 A.

PORTFOLIO MANAGEMENT

States that currently have a zero delinquency and a goal to maintain a zero delinquency can recognize employees for exceptional effort. Affected personnel may exceed a fully successful rating if exceptional work is performed to maintain a zero delinquency. Also, States that currently have a delinquent loan(s) and a goal of zero may recognize employees in the same manner if exceptional work is performed in obtaining a zero delinquency.

GOAL 2 A. COMMUNITY FACILITIES - REDUCTION OF DELINQUENCY

WEIGHT: 10 percent

Historical data on delinquencies and economic trends were reviewed. The National objectives were based on the actual ratio of delinquent borrowers to total borrowers as of June 30, 1991. States' goals were based on regional economic conditions, knowledge of delinquent projects through delinquency reports and field visits, and the June 30, 1991, delinquencies. Consideration was also given to delinquency as of December 31, 1991. Note: The goal also includes Resource Conservation and Development loans, Recreation loans, Watershed Protection and Flood Prevention loans, and Community Facilities guaranteed loans.

MEASUREMENT: CF Goal accomplishment will be based on the 616 report. The yearend accomplishment will be subtracted from the goal. Total goals and accomplishments will be obtained for multi-State jurisdictions and these jurisdictions will each be given a single score. States or jurisdiction having a zero delinquency will be given the highest score.

GOAL 2 B. BUSINESS AND INDUSTRY - REDUCTION OF DELINQUENCY

WEIGHT: 15 percent

Historical data on delinquencies and economic trends were reviewed. The Agency objective as well as the States' goals are based on economic conditions; delinquency as of December 31, 1991; efforts underway to ensure making of quality B&I loans; and efforts instituted through Form FmHA 1980-59, "Quarterly Delinquent/Problem Loan Report," to assist States in monitoring lender servicing. Note: The goal also includes Disaster Assistance guaranteed loans, Disaster Assistance for Rural Business Enterprises guaranteed loans, Intermediary Relending Program loans, Rural Development Loan Fund loans, Insured Business and Industry loans, and Equal Opportunity Cooperative loans.

MEASUREMENT: Goal accomplishment will be based on a Business and Industry internal report developed based on the information contained in FmHA Form 1980-59, "Quarterly Problem Delinquent Loan Report."

GOAL 2 C. WATER AND WASTE DISPOSAL - IMPROVE WATER AND WASTE DISPOSAL LOAN SERVICING TO ENSURE THAT BORROWERS PROVIDE RURAL USERS ESSENTIAL SERVICES AT THE MOST REASONABLE USER RATES OBTAINABLE. EMPHASIS WILL BE TO REDUCE ACTUAL DELINQUENCIES.

WEIGHT: 15 percent

Historical data on delinquencies and economic trends were reviewed. The National objectives were based on the actual ratio of delinquent borrowers to total borrowers as of June 30, 1991. States' goals were based on regional economic conditions, knowledge of delinquent projects through delinquency reports and field visits, and the June 30, 1991, delinquencies. Consideration was also given to delinquency as of December 31, 1991. Note: The goal also includes Water and Waste Disposal Guaranteed loans.

MEASUREMENT: Procedure will be the same as for Goal 2 A.

GOAL 2 D. COMMUNITY PROGRAMS - GRADUATION

WEIGHT: 10 percent

The Agency objective and the States' goals are based on graduating 5 percent of the number of loans scheduled for graduation review within the performance year of July 1, 1992, through June 30, 1993.

MEASUREMENT: Goal will be based on RCFTS reports as of June 30, 1993. The accomplishment will be subtracted from the goal.

GUARANTEED LOANS**GOAL 3 A. COMMUNITY FACILITIES - IMPROVE FUND UTILIZATION**

WEIGHT: 15 percent

The Agency goal is to process 46 loans nationwide during the period July 1, 1992, through June 30, 1993, to the point of approval and approve if funds are available. Each State Office's goal is to process to the point of approval, and if funds are available, approve one quality Community Facilities guaranteed loan.

MEASUREMENT: The State or jurisdiction will be ranked with other States based on the number of Community Programs guaranteed loans obligated, or processed to the point of approval if funds are not available.

GOAL 3 B. BUSINESS AND INDUSTRY LOAN - FUND UTILIZATION

WEIGHT: 10 percent

States are expected to use allocated funds to meet the credit needs within their State. States are expected, by October 1, 1992, to have utilized 100 percent of the FY 92 allocation and by June 30, 1993, to have utilized 75 percent of the FY 93 allocation.

MEASUREMENT: The State or jurisdiction will be ranked with other States based on the number of Business and Industry guaranteed loans obligated.

NOTE - Water and Waste Disposal. Due to the FY 93 President's Budget, guaranteed funds for Water and Waste Disposal programs are not anticipated; therefore, there is no loanmaking goal at this time.